Advising the Congress on Medicare issues

MIPPA update: Physician resource use measurement

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MEDPAC

MIPPA enacts the Commission's physician resource use measurement recommendation

- March 2005, we recommended that Medicare measure physician resource use and give confidential feedback
- MIPPA (§131) requires the Secretary to do so by January 1, 2009
  - Requires education and outreach
  - Requires GAO evaluation by March 1, 2011

MIPPA grants the Secretary the flexibility to choose to:

- Use other data in addition to claims
- Provide feedback to physician groups
- Include feedback on the quality of care
- Measure resources
  - per episode,
  - per capita,
  - or both
- Adjust data for beneficiaries' health status and other characteristics

MIPPA also grants the Secretary the flexibility to focus the program on:

- specialties that account for a significant share of Medicare spending,
- physicians who treat high cost or high volume (or both) conditions,
- physicians who use a high amount of resources compared to other physicians,
- physicians practicing in certain geographic areas, and
- physicians who treat at least a certain number of beneficiaries.

CMS is implementing physician feedback

- Resource Use Report (RUR) pilot program
- Phase I will use two episode groupers
  - Episode Treatment Groups (ETGs)
  - Medical Episode Groups (MEGs)
- 1-on-1 interviews with physicians
- Pilot will test several different characteristics of the measurement methodology and feedback format

Phase I of the pilot will focus on 4 acute conditions and 4 chronic conditions

Acute conditions

- Community-acquired pneumonia
- Urinary tract infection
- Hip fracture
- Cholecystitis (may also be classified as chronic)

Chronic conditions

- Congestive heart failure
- Chronic obstructive pulmonary disease
- Prostate cancer
- Coronary artery disease and acute myocardial infarction

Phase I of the pilot will test:

- 3 risk adjustment approaches
- 6 attribution approaches
- Several different benchmarking approaches
  - Cut-point for defining cost-efficient and cost-inefficient physicians
  - Geographic scope of peer group
  - Specialty scope of peer group

RURs will be field tested in the 12 sites used for the Community Tracking Survey

Boston
Cleveland
Greenville
Indianapolis
Lansing
Little Rock
Miami
Northern New Jersey
Orange County
Phoenix
Seattle
Syracuse

Phase I of the pilot has begun, and results will inform a potential Phase II

- One-on-one interviews with physicians who receive feedback in three waves
- August test in the Baltimore-Washington area
- CMS will revise the RURs based on physician feedback
- CMS may implement a Phase II

MedPAC's planned work

- Structured interviews to explore principles
- Medicare claims analysis
  - Do physicians' efficiency scores tend to remain stable over time?
  - What effect do different attribution methods have on the types of physicians that are assigned responsibility for episodes and their resulting efficiency scores?
  - Explore the integration of quality and resource use measures.

MedPAC's planned work (cont'd)

- Focusing on the most common, expensive episodes:
  - Are there episodes with fewer physicians involved?
  - For episodes with multiple physicians involved, what types of specialties are represented and are they duplicated?
  - Which specialties tend to be attributed responsibility for the episodes?